

# *Operating Budget*

## *Operating Budget Summary*

## 2006-2007 OPERATING BUDGET OVERVIEW

The Operating budget for Fiscal Year 2006-07 totals \$171.8 million, with revenues for the year estimated at \$177.8 million. General Fund revenues are estimated at \$112.2 million and budgeted expenditures are \$106.4 million.

### REVENUE

The following table shows the total operating revenues the City anticipates receiving for 2005-06, as well as those estimated for 2006-07.

REVENUE SUMMARY BY FUND TYPE (in Millions)				
FUND	PROJECTED 2005-06	ESTIMATED 2006-07	\$ CHANGE	0% CHANGE
GENERAL FUND	\$ 103.1	\$ 112.2	\$ 9.1	9%
SPECIAL REVENUE	11.3	9.7	(1.6)	(14%)
ENTERPRISE	35.2	38.9	3.7	11%
INTERNAL SERVICE	13.1	14.0	.9	7%
REDEVELOPMENT	3.1	3.0	(0.1)	(3%)
TOTAL	\$ 165.8	\$ 177.8	\$ 12.0	7%

Revenue estimates for the Operating Budget indicate that the City will receive a total of \$177.8 million, a 7% increase over the prior year. Increases in General Fund revenues, mainly property and sales taxes, as well as growth in the Enterprise funds, offset the declines in some of the other funds. The majority of the decline of \$1.6 million in the Special Revenue funds is due to unscheduled revenue received in 2005-06 in the Housing Trust Fund for interest and shared appreciation on loan repayments. More information on the City's revenue sources can be found in the discussion that follows.

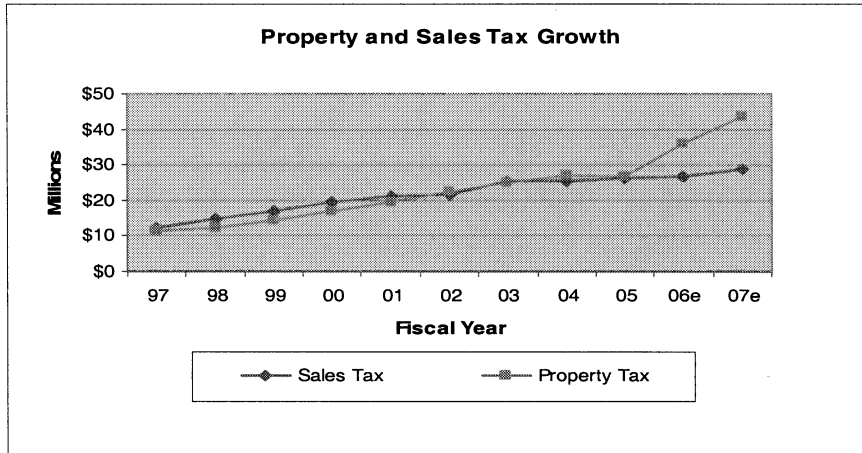
### General Fund

General Fund revenues are reflective of the local economy. These revenues are of particular interest as they fund basic City services such as police, fire, library, street and park maintenance, and recreation programs. A summary of projected General Fund revenues is shown below.

SIGNIFICANT GENERAL FUND REVENUES (In Millions)				
FUND	PROJECTED 2005-06	ESTIMATED 2006-07	\$ CHANGE	% CHANGE
PROPERTY TAX	\$ 36.2	\$ 43.8	\$ 7.6	21%
SALES TAX	26.6	29.0	2.4	9%
TRANSIENT OCC. TAX	11.1	11.8	0.7	6%
FRANCHISE TAXES	5.4	5.5	0.1	2%
BUSINESS LICENSE TAX	3.2	3.2	0	0%
DEVELOPMENT REVENUES	5.7	4.7	(1.0)	(18%)
ALL OTHER REVENUE	14.9	14.2	(.7)	(5%)
TOTAL	\$ 103.1	\$ 112.2	\$ 9.1	9%

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This year it is expected that **property taxes** will grow to over \$43 million, a 21% increase over the past year. This includes a 15% estimated increase in assessed valuation as provided by the County Assessor in May 2006, as well as the return of \$1.8 million from the State of California, after taking this amount away from the City for the last two years. As mentioned earlier, beginning in FY 2004-05 State budget provided local governments additional Property Taxes in exchange for the Vehicle License Fees (VLF). Therefore, instead of receiving approximately \$5 million in VLF in FY 2005-06, the City now gets additional property taxes in an equal amount. These amounts will continue to grow at the same rate as the City's assessed values.

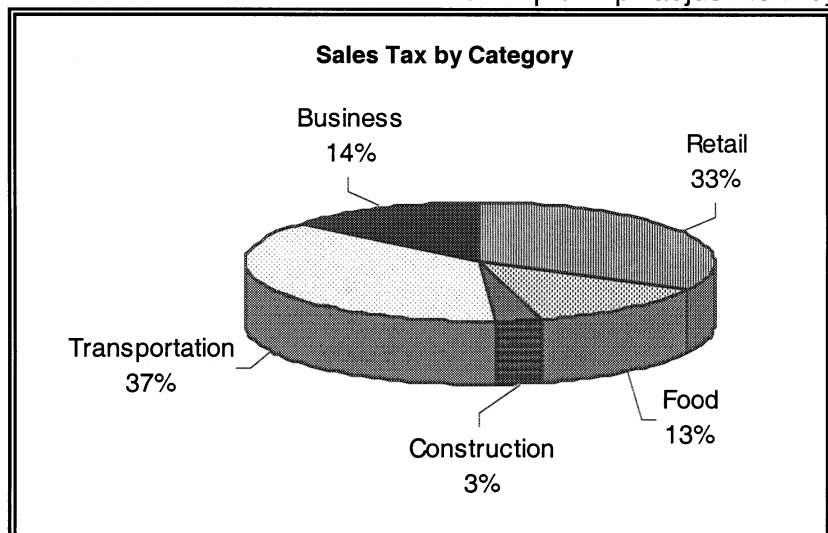


Property taxes tend to lag behind the rest of the economy, as the tax for the upcoming fiscal year is based on assessed values from the previous January. Thus, the taxes to be received for Fiscal Year 2006-07 are based on values as of January 1, 2006. Sales taxes react much quicker to changes in the economy and therefore will typically grow faster in

a good economy, but also drop off faster as the economy cools.

Property taxes on existing properties have a cap on how fast they can grow. This is due to Proposition 13. Proposition 13 was adopted by the State in 1978. This proposition limits the growth in assessed values (and thus property taxes) to no more than 2% per year. The value upon which the tax is based is only increased to the full market value upon the sale of the property. Thus, property taxes tend to grow slowly unless there is a significant amount of housing activity. In more recent years, we have seen a robust growth in property taxes due to new developments, a large number of resales within the City spurring revaluation of the parcels, and double-digit growth in housing prices.

**Sales taxes** are expected to total \$29.0 million for FY 2006-07, an increase of 9% over the FY 2005-06 projections. These projections assume a base increase of 4.0% over the FY 2005-06 projections, after adjusting the FY 2005-06 estimate for a one-time "Triple Flip" adjustment by the State, as well as a sales tax adjustment to refund overpaid taxes to a major business within Carlsbad. The "Triple Flip" is essentially a temporary swap of a ¼ cent of the cities' sales taxes in return for property tax. It was done in order to give the State a revenue source against which they could issue deficit reduction bonds. The City's sales tax estimates continue to show this amount as sales tax since the amount is reflective of the amount of sales taxes the City would have received. It should have no effect on the ultimate amount of tax



## 2006-2007 OPERATING BUDGET OVERVIEW

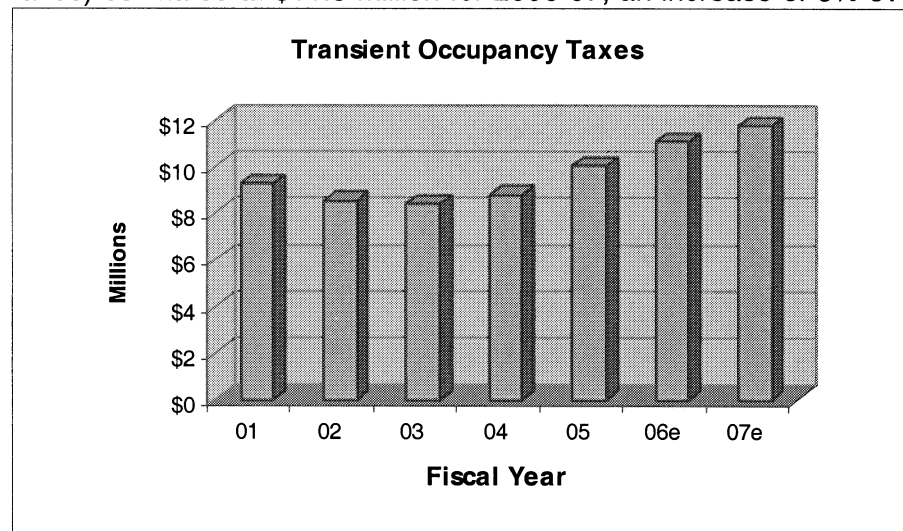
revenues, but it did result in a delay in the timing of the receipt of the taxes; most noticeably in the first year of the swap (Fiscal Year 2004-05).

One of the most significant new sites in Carlsbad which is having a positive affect on the City's sales tax, is a retail center in the southernmost part of the City called The Forum. This center includes approximately 190,000 square feet of retail space, as well as restaurants and other commercial uses. The center opened in late 2003.

As can be seen in the chart on the previous page, the City's sales tax base is heavily weighted in the transportation (predominantly new car sales) and retail sectors. These two sectors make up approximately 70% of the City's sales tax base.

Sales tax estimates also include approximately \$845,000 that is restricted to spending on public safety services under Proposition 172. Proposition 172 requires that the one-half cent increase in California sales taxes be allocated to local agencies, to fund public safety services.

The third highest General Fund revenue source is **Transient Occupancy Taxes** (TOT or hotel taxes) estimated at \$11.8 million for 2006-07, an increase of 6% over 2005-06 estimates. TOT



declined after the September 2001 terrorism attacks and the mild recession that followed. Compounding the decline for Carlsbad was the renovation occurring at one of Carlsbad's premier resorts, the La Costa Resort and Spa. The resort underwent extensive remodeling and rebuilding, which offset much of the growth experienced by

the other hotels in the City. The remodeling was completed in 2004-05, and tourism has rebounded causing TOT revenues to rise.

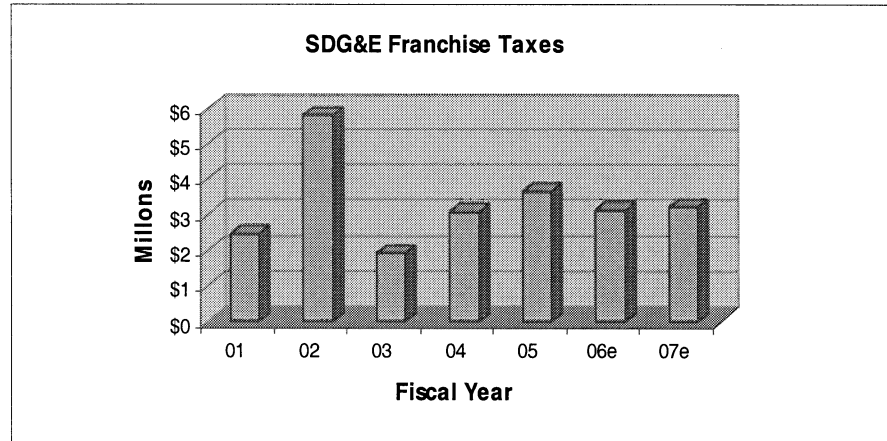
It is expected that Fiscal Year 2005-06 will end the year with about \$11.1 million in TOT receipts, a 10% increase from 2004-05. Growth is expected to be moderate going into FY 2006-07, with 3% assumed for the base growth. In addition to the base growth, the West Hotel, located at Cannon Court, opened in May 2006 with 86 rooms. The combination of the base growth and the new hotel results in a 6% growth over FY 2005-06 projections. The estimated TOT for FY 2006-07 is projected to be \$11.8 million.

One of the more volatile General Fund revenues is the **Franchise tax**. Franchise taxes are paid by certain industries that use the City right-of-way to conduct their business. The City currently has franchise agreements for cable TV service, solid waste services, and gas and electric services. The cable and solid waste franchises have been growing along with the growth in population and changes in their rate structures. These franchise revenues are projected to remain relatively flat in FY 2006-07. The large fluctuations in franchise taxes has come from the taxes on gas and electric services, which are paid by San Diego Gas and Electric (SDG&E).

## 2006-2007 OPERATING BUDGET OVERVIEW

SDG&E pays franchise taxes for the use of the public land over which they transport gas and electricity. The City also receives an “in-lieu” franchise tax based on the value of gas and electricity transported on SDG&E lines, but purchased from another source. The “in-lieu” tax captures the franchise taxes on gas and electricity that is transported using public lands but which would not otherwise be included in the calculations for franchise taxes, due to deregulation of the power industry. The majority of the “in-lieu” taxes received is attributable to Cabrillo Power, the operator of the Encina power plant, based on the gas used in the generation of electricity.

During the energy crisis in 2000 and 2001, average gas prices soared from about \$3 per



thousand cubic feet to, at times, more than \$12 per thousand cubic feet. In addition, the Encina power plant was operating at a much higher capacity. The combination of these two factors resulted in an increase in franchise fees to the City of over 100% in FY 2001 and FY 2002 (franchise taxes are paid in April for the previous calendar year). Another

price spike occurred in 2003, increasing the FY 2004 revenues, and the high prices continued into FY 2005. The FY 2006-07 forecast essentially predicts the same amount of SDG&E franchise revenue as the previous year.

**Development-related revenues** include planning, engineering and building permits, and fees paid by developers to cover the cost of reviewing and monitoring development activities such as plan checks and inspections. These revenues are difficult to predict, as many of the planning and engineering activities occur months or years before any structures are actually built.

Development-related revenues declined slowly from the high of 1998, but have picked up in the last few years, as several large master-planned projects were developed. For Fiscal Year 2005, the dwelling units permitted was 1,663. For FY 2006 the estimated number of dwelling unit permits is projected to be approximately 1,000. For Fiscal Year 2007, permits issued are expected to decline slightly, bringing down the revenue as well. An 18% decline in building related revenue is projected for next year.

**Business license taxes** are closely tied to the health of the economy and are projected to remain about the same at \$3.2 million. There are currently about 8,000 licensed businesses in Carlsbad, with over 2,000 of them home-based.

**All other revenues** include vehicle license fees, transfer taxes, interest earnings, ambulance fees, recreation fees, and other charges and fees. The estimate for Fiscal Year 2006-07 totals \$14.2 million, a \$700,000 decrease from Fiscal Year 2005-06, caused mainly by a decrease in the General Fund services/charges to other departments.

Transfer taxes are those taxes paid to the County of San Diego upon the transfer of interests in real estate. The tax is 55 cents per \$1,000 of property value, and is split equally between the County and the City. Carlsbad expects to receive \$1.2 million in transfer taxes for FY 2005-06, and about the same in FY 2006-07. Income from investments and property includes interest

## 2006-2007 OPERATING BUDGET OVERVIEW

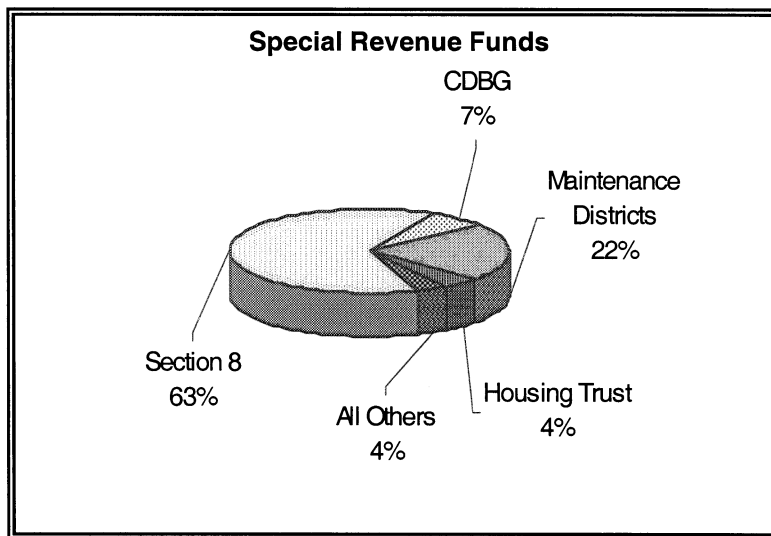
earnings, as well as rental income from City-owned land and facilities. The City earns about \$2.6 million on its General Fund investments every year. In addition, there is a need to loan the Median Landscaping Fund approximately \$178,000. This is discussed in more detail later in the report.

Overall, General Fund revenues are expected to grow by about 8.4%, or \$8.7 million, in the upcoming year. Most of the growth is coming from the tax revenues: mainly property, sales and TOT. Although the City experienced revenue growth between 9% and 17% in the late 1990's, it was not sustainable growth. Much of those increases were due to the opening of new hotels, restaurants, retail centers, and new home development. As the City matures, it will be increasingly more difficult to produce double-digit growth in revenues. The 8.4% gain projected for Fiscal Year 2006-07 is respectable, given that the Consumer Price Index (CPI) is only expected to grow by 3.5% in 2007. This growth in revenue is closer to what may be expected in the future.

### **Other Funds**

Revenues from **Special Revenue** funds are expected to total \$9.7 million, a \$1.5 million decrease from FY 2005-06. The types of programs supported within Special Revenue funds are those funded by specific revenue streams such as:

- Grants (Section 8 Housing Assistance, Community Development Block Grants)
- Donations
- Special fees and assessments (Housing Trust Fund, Maintenance Assessment Districts).



The most noteworthy changes in the Special Revenue funds occurred in two programs: the Housing Trust Fund, and Community Development Block Grants. The Housing Trust Fund was set up to provide funding for the City's affordable housing programs. Revenues come from inclusionary housing fees, interest on cash balances, and payments on affordable housing loans. Most affordable housing loans are set up so that interest and/or principal payments are only due when funds are available from the project to make the payments;

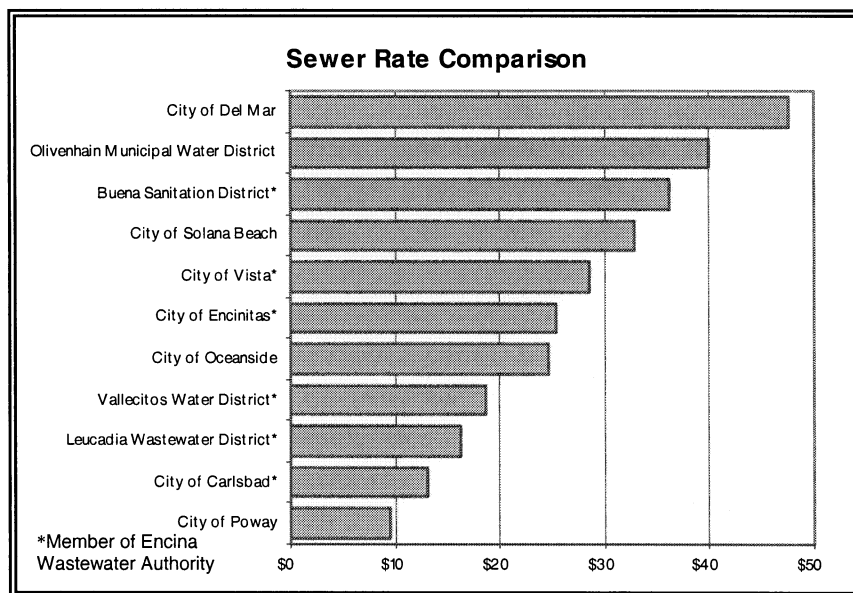
therefore, they are difficult to predict. For Fiscal Year 2006, the City expects to receive about \$1.2 million in repayments. For Fiscal Year 2007, only \$45,000 has been estimated for fees, as this revenue source is uncertain. Most of the fund's revenue decrease is due to this difference.

The other fund with a significant decrease is the Community Development Block Grant Fund. In FY 2006 the City is estimated to receive approximately \$1.0 million. For FY 2007, approximately \$600,000 is anticipated. While the grant allocation remains relatively stable, the amount reimbursed in each year depends on the number of projects completed within that fiscal year.

## 2006-2007 OPERATING BUDGET OVERVIEW

**Enterprise** fund revenues for FY 2006-07 are projected at \$38.9 million, up by \$3.7 million. Enterprise funds are similar to a business, in that rates are charged to support the operations that supply the service. Carlsbad Enterprises include the water, recycled water, and sanitation services; solid waste management; and the Carlsbad Golf Course.

The Water Enterprise Fund shows an increase of 7% over the previous year. This increase includes a 5% increase in water rates. The fixed rate for single family residences is currently \$9.25 per month, and the increase of \$0.50 will raise the rate to \$9.75. In addition, the cost per unit of water is \$1.60 and the new rate is \$1.68. It is estimated that the average increase to a household will be approximately \$2.10 per month (fixed + variable). The City had not raised the water rates since 1999, and Carlsbad's water rates are still among the lowest in the region. The Recycled water revenues are increasing as a result of the opening of the new Carlsbad Recycling Facility. The new facility has the ability to generate four million gallons per day of recycled water.



A rate increase has also been approved for the Sanitation Enterprise of 8.5%. This will raise the base residential rate from \$13.50 to \$14.65 per month. The City has been able to hold down the rate increases due to growth in the City (more residences and businesses to spread the fixed charges over each year) as well as through cost management. Even with the rate increase, Carlsbad's sewer rates are still among the lowest in the region.

The Solid Waste Fund contains two programs: solid waste management and storm water management. No increase is planned for the solid waste management program.

**Internal Service** funds show estimated revenues of \$14.0 million for FY 2006-07, an increase of 7.3%, over FY 2005-06 projections. Internal Service funds provide services within the City itself, and include programs such as the self-insurance funds for Workers' Compensation and Liability, as well as Information Technology and Vehicle Maintenance and Replacement. Departments pay for services provided by these funds; therefore, the rates charged for the services are based on the cost to provide the service. The goal of the Internal Service funds is to match their budgeted expenses with charges to the departments, after allowing for a certain level of reserves within the fund.

The more significant rate increases occurred in the Information Technology, Workers' Compensation, and Vehicle Maintenance Funds. In these funds costs have been escalating greater than inflation over the past year or two. For Information Technology, the rate increases match the increased demand for services. For Workers' Compensation, a key factor in increasing costs is the number and value of claims. In the Vehicle Maintenance Fund, it is mainly due to the cost of fuel and parts. In these specific funds, the rates are proposed to be increased in order to cover the costs of the programs. More discussion on the costs can be found in the Expenditures section of this report.



## **2006-2007 OPERATING BUDGET OVERVIEW**

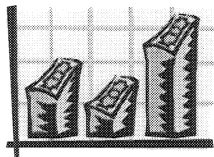
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**Redevelopment** revenues are expected to total \$3.0 million in the upcoming year; a 3% decrease over the projections for the previous year. Most of the decrease is the result of reduced assessed values in the South Carlsbad Coastal Redevelopment Area (SCCRA).

The SCCRA was formed in 2000 and is still in the master planning stage. No significant construction has begun. In addition, the SCCRA's highest valued property, the Encina power plant, has been declining in value. The Encina power plant is an older facility, and due to obsolescence, the State Assessor has been devaluing the plant each year. Based on the latest estimates from the Assessor, the devaluation of the power plant will bring the base value for the SCCRA to below the original value when the redevelopment area was formed. This eliminates all tax increment revenue for the redevelopment area. No tax increment is expected to be generated until additional investments are made in the power plant or significant redevelopment construction begins.

Tax increment in the City's other Redevelopment area (the Village) is expected to decrease by approximately 3% in Fiscal Year 2007, due to some one time payments received in Fiscal Year 2006.

### **EXPENDITURES**



The City's Operating budget for FY 2006-07 totals \$171.8 million, which represents an increase of \$13.4 million, or 8.5%, from the adopted FY 2005-06 budget. The changes in each of the City's programs will be discussed fully below.

### **Budgetary Policies**

The theme behind this year's budget policies was "Creating a sustainable community through fiscal discipline by managing today's resources for the future". While the forecast shows expectations for a balanced budget in the future, the City also has a large capital program underway which will add additional pressure to the budget. With the inherent risks of a downturn in the economy it is important to keep an eye focused on the future to ensure the City stays in good financial health. To achieve that end, the following policies were set:

- Maintain current service levels.
- New programs may be considered if already in progress or anticipated in the Capital Improvement Program.
- Identify new revenue generation opportunities.
- Carefully review open positions prior to filling.
- New positions will be limited to only those necessary to maintain service levels.
- Budget requests for one-time funding to implement specific goals will be considered.
- Generally, be prudent in budgeting. Consider cost containment measures and budget discretionary items at minimum levels.

The City uses an "Expenditure Control Budget" (ECB) process in budgeting. In the ECB approach, each department is given a block appropriation containing sufficient funds to provide the current level of services for the upcoming year. As Carlsbad is a growing city, the block appropriation should contain sufficient funds to pay for inflationary increases as well as growth in the customer base. Every year the block is increased by an index for growth and inflation. No additional appropriations are expected during the year except in the case of a significant unanticipated event. Amounts that are unspent at the end of the fiscal year will be carried forward to the new fiscal year.

## **2006-2007 OPERATING BUDGET OVERVIEW**

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In the FY 2005-06 Budget, the block portion of the "Expenditure Control Budget" (ECB) was reviewed and brought in line with changes that had occurred in the programs and with efficiencies that were identified during the review. Every program was scrutinized to determine the true cost of providing the services and budgeted at the level deemed necessary to continue to provide the services. In the FY 2006-07 Budget, we have returned to the ECB process using the Fiscal Year 2005-06 Budget as the base.

The FY 2006-07 Budget reflects the following organizational and structural change, which will continue to contribute to the overall effectiveness of the organization:

- The Triathlon Fund balance was moved from a Special Revenue Fund to the General Fund. This will in no way impact the ability of citizens to donate to this valuable program.

### **Budgeted Expenditures**

Through the application of these guidelines and policies, the FY 2006-07 Operating Budget of \$171.8 million was developed. The FY 2006-07 Operating budget proposes 22 new full time employees: 12 are to enhance Public Safety, 3 are in the Information Technology Department and will improve internal efficiencies, 1 new Public Works Inspector to manage Streets and Facilities contracts, 1 new Environmental Specialist to insure Federal Clean Water Compliance requirements, 1 position in the Communications Department to coordinate and increase outreach with citizens and 4 are related to a conversion of part-time personnel into full time personnel to improve effectiveness in the Planning, Finance and Public Works Departments. The net decrease in hourly staff totaled approximately 2.35 Full Time Equivalents (FTE). These changes result in a City workforce of 682 full and three-quarter time employees and 145.12 hourly FTE. The staffing changes in each of the City's programs will be discussed below.

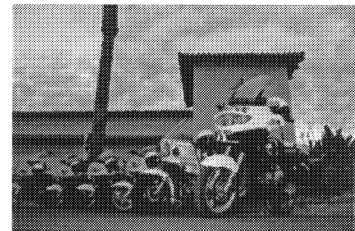
### **Facilities**

The City has a large number of major capital projects scheduled to be built over the next five years. As the City completes these projects, the costs of maintaining and operating the facilities are added to the Operating budget. Pine Avenue Park and the Senior Center remodel are both anticipated to open in the next fiscal year. The park at Pine Avenue is scheduled to open in the Fall of 2006 and the expanded Senior Center is anticipated to open in the Spring of 2007.

### **Public Safety**

Public safety has always been, and remains, a top City Council priority. After reviewing the current staffing requirements and the population growth in the City, it was evident that there was a need to add new Public Safety personnel to maintain the current service levels in the community.

In FY 2006-07 the Police Department received approval to hire two additional Police Officers for Field Operations and one Police Investigator to maintain the current safety levels with the increased population growth in Carlsbad. A Fingerprint and Evidence Specialist was also approved and will help expedite the current caseload and shorten the turn around time for new cases. Finally, a Communications Operator II will handle the increased call volume and internal communications needs to maintain appropriate citizen service levels.



## **2006-2007 OPERATING BUDGET OVERVIEW**

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The Carlsbad City Council also approved additional funding for the Police Department to increase the level of public safety in the Downtown Carlsbad Village area. The additional funding will help ensure the village remains a safe environment for all of the Citizens of Carlsbad. The 2006-07 budget includes approximately \$207,000 for additional overtime and 2 contracted security officers with prisoner transport vehicles.

In FY 2006-07 the Fire Department was authorized to purchase an additional ambulance and hire staff to better support the increase population of Carlsbad. The Carlsbad Fire Department's total call volume averages approximately 7,000 calls per year. From 1990 to the present the total call volume has increased by 75%. With the additional ambulance the Fire Department will hire 6 paramedic firefighters. The 3<sup>rd</sup> ambulance and 6 Paramedic Firefighters will provide the Fire Department the ability to increase response capability, better maximize resources, improve scheduling efficiencies and, most importantly, continue to maintain the high level of customer service that the citizens of Carlsbad have come to expect.

The Fire Department also received funding for an Emergency Medical Services (EMS) Nurse Coordinator in FY 2006-07. The Nurse Coordinator will analyze, design, plan, implement and administer the EMS programs. The programs include Advanced Life Support, Basic Life Support, immunizations, certification, and EMS training activities. This important function will improve the quality of the service provided by the Fire Department, insure that the appropriate training levels are maintained and could potentially reduce the amount of consulting and medical supplies costs.

### **Top Quality Service**

One of Council's goals is top-quality service, which means serving our customers well. The City is continuing its efforts to provide the best service to our citizens and customers. There are numerous goals proposed for the FY 2006-07 that investigate potential enhancements to the services we provide.

One new and innovative program being implemented this year is the Library's Radio Frequency Identification (RFID) technology. In FY 2006-07, the RFID project will allow patrons to automatically check out books and materials without having to wait in any lines. The chip technology, similar to the speed pass technology used in other retail locations, is embedded in the materials and will automatically read a checkout and bill the customer when necessary. One goal of the program will be to greatly improve the Library experience for the customers. The technology will also make the restocking of materials far more efficient and ultimately result in costs savings for the Department.



The City's Communications Department continues to define its mission and has several goals and programs designed to better disseminate information and teach citizens about the various programs and activities offered in Carlsbad. Examples include a video magazine, citywide calendars, Community Service Guides, the City Stuff Program and the Citizen's Connection and Partnership Survey. This year there are also several new goals in the Communications Department. The City Brand goal will focus on developing a cohesive City image to present to our citizens to better facilitate effective communications. There is also a goal to enhance communication through technology. This goal will research innovative technology like Blogs, Webstreaming, Pod casting and integration between cable and the web. In FY 2006-07, the Communications Department received approval to hire an additional full time staff member to help implement these new goals and programs as well as coordinate and increase outreach with the citizens of Carlsbad.

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### Increased Efficiencies and Cost Savings

With the emphasis this year on creating a sustainable community through fiscal disciplines by managing today's resources for the future; several goals will target increasing efficiencies and cost savings. To improve the efficiency of our existing Community Development Department one hourly FTE position will be converted to a full time Senior Office Specialist. This position will serve as the Planning Commission Minutes Clerk, and be the clearing house for the data entry of all Land Use applications. This new full time position will improve customer service levels, allow for better employee retention and possibly reduce expenditures for outside contractors. The Finance Department will also be converting one and a half hourly FTE positions to one full time position. The new Accounting Supervisor will oversee the cashing, accounting and collection services. Finally, the Public Works Street Lighting and Parks Maintenance Departments will hire two Maintenance Aids to replace temporary employees. Hiring the two full time positions will allow Public Works to insure that adequate training levels are provided to City employees and appropriate staffing levels are maintained to provide the high levels of quality service that the citizens require.

This year a comprehensive review was done of the numbers and types of vehicles being purchased as replacements for the City's current fleet. Each vehicle was reviewed to determine the need for replacement at this time as well as whether the replacement could be a smaller, less costly, more fuel-efficient vehicle without hurting the effectiveness of the program. The results of this review were that only 27 vehicles were selected for replacement out of the 58 vehicles that met the replacement criteria outlined in Administrative Order Number 3. Of the 27 vehicles selected for replacement, 3 vehicles were downsized.

### Budget by Fund Type

This table below shows the changes in the adopted operating budget for Fiscal Year 2006-07 compared to the adopted budget for Fiscal Year 2005-06.

<b>BUDGET EXPENDITURE SUMMARY BY FUND TYPE (In Millions)</b>				
<b>FUND</b>	<b>BUDGET 2005-06</b>	<b>BUDGET 2006-07</b>	<b>\$ CHANGE</b>	<b>% CHANGE</b>
GENERAL FUND	\$ 97.2	\$ 106.4	\$ 9.2	9%
SPECIAL REVENUE	10.1	9.9	(0.2)	(2%)
ENTERPRISE	35.0	40.2	5.2	15%
INTERNAL SERVICE	13.9	13.4	(0.5)	(4%)
REDEVELOPMENT	2.2	1.9	(0.3)	(13%)
TOTAL	\$ 158.4	\$ 171.8	\$ 13.4	9%

The General Fund contains most of the discretionary revenues that finance the basic core of City services. However, this should not diminish the importance of the other operating funds, as they also contribute to the array of services available within Carlsbad. The remainder of this section will provide more information about the budgeted expenditures by fund and program.

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### General Fund

Total budget for the General Fund is \$106.4 million, which is 9% more than the previous budget of \$97.2 million. As can be seen in the table below, the increase is mainly due to the increase in the number of positions and other personnel costs. Personnel costs make up approximately 65% of the General Fund budget so any changes in these costs can have a significant effect on the total budget. Personnel costs are projected to increase by 7% in FY 2006-07, partially due to the addition of new positions.

The table to the left shows the breakdown of personnel costs for the General Fund. Salaries include full and part-time staff costs and account for \$3.6 million of the increase in the General Fund. Approximately \$1.3 million of the additional personnel costs are for the new positions in FY 2006-07. Benefits make up the remainder of the non salary personnel costs.

GENERAL FUND PERSONNEL COSTS (In Millions)				
	BUDGET 2005-06	BUDGET 2006-07	\$ CHANGE	% CHANGE
SALARIES	\$ 44.5	\$ 48.1	\$ 3.6	8%
HEALTH INSURANCE	4.6	5.1	.5	11%
RETIREMENT	11.8	12.0	.2	2%
WORKERS COMP	1.9	2.1	.2	11%
OTHER PERSONNEL	1.2	1.4	.2	17%
TOTAL	\$ 64.0	\$ 68.8	\$ 4.8	7%

M & O stands for Maintenance and Operations. This budget contains the funds for all program expenses other than personnel or capital outlay. The City was able to hold down increases in these accounts this year by finding more efficient ways of doing business.

GENERAL FUND SUMMARY BY EXPENDITURE TYPE (In Millions)				
	BUDGET 2005-06	BUDGET 2006-07	\$ CHANGE	% CHANGE
PERSONNEL	\$64.0	\$68.8	\$4.8	7%
M & O	26.7	28.3	1.6	6%
CAPITAL OUTLAY	.8	1.6	.8	100%
TRANSFERS	5.7	7.7	2.0	35%
TOTAL	\$97.2	\$106.4	\$9.2	9%

Capital Outlay includes budgeted equipment purchases over \$1,000. Capital outlay over \$10,000 is further detailed in the Appendix. These amounts vary from year to year depending on the program needs.

Transfers and advances are amounts anticipated to be transferred or loaned from the General Fund to another fund at the City. The transfers/advances included in this year's budget are to the following funds:

- \$7.2 million to the Infrastructure Replacement Fund - for major maintenance and replacement of City infrastructure. After a review of the City's infrastructure in FY 2005-06 it is the recommendation to increase the transfer to the Infrastructure Replacement Fund by \$2.7 million from the 2005-06 transfer to better meet our future needs.
- \$275,000 to the Hosp Grove Debt Service Fund – for debt service for bonds issued to purchase Hosp Grove. Hosp Grove was originally a grove of eucalyptus trees. It has since been developed into a nature park containing trails and a tot lot.
- A \$178,000 loan to the Median Maintenance Fund.
- A \$38,000 loan to the Street Tree Zone to fund the planting of 400 trees in the City.

## 2006-2007 OPERATING BUDGET OVERVIEW

Another way of looking at the General Fund budget is by program. The chart below compares the recommended 2006-07 budget to the amounts adopted in the previous year. The significant changes are noted below.

GENERAL FUND EXPENDITURES BY MAJOR SERVICE AREA (In Millions)				
FUND	BUDGET 2005-06	BUDGET 2006-07	\$ CHANGE	% CHANGE
POLICY/LEADERSHIP	\$ 4.1	\$ 4.5	\$ 0.4	10%
ADMINISTRATIVE SERVICES	6.4	6.8	0.4	6%
PUBLIC SAFETY	35.5	39.2	3.7	10%
COMMUNITY DEVELOPMENT	6.5	6.8	0.3	5%
COMMUNITY SERVICES	15.8	16.6	0.8	5%
PUBLIC WORKS	19.0	21.0	2.0	11%
NON-DEPARTMENTAL	7.6	9.2	1.6	21%
CONTINGENCY	2.3	2.3	-	0%
<b>TOTAL</b>	<b>\$ 97.2</b>	<b>\$ 106.4</b>	<b>\$ 9.2</b>	<b>9%</b>

- The Policy/Leadership Group includes all elected officials and the City Manager's Office. The 10% change is mainly due to the new position and the additional services being produced by the Communications Department discussed earlier.
- There were minimal changes in the total budget for Administrative Services. The increase from FY 05-06 to FY 06-07 is primarily due to the increases in salary and benefit costs.
- The 10% growth in Public Safety reflects the new approved positions in both the Police and Fire Departments. As discussed earlier, there are 5 new positions in the Police Department, additional overtime and 2 contracted security officers with prisoner transport vehicles. In the Fire Department there are 7 new positions as well as the general increase in personnel costs.
- In the Community Development area, the 5% increase is due mainly to personnel costs and a Business Process Review (BPR).
- Community Services includes Recreation, Library and the Arts. The 5% increase reflects general personnel increases as well as the full year impact of the additional operating costs in adding Aviara Park, Hidden Canyon Park and a portion of the Coastal Rail Trail in FY 2005-06. Finally, there are partial year costs associated with opening two new facilities, Pine Avenue Park and the remodeled Senior Center in FY 2006-07.
- Public Works shows an overall increase of 11%. The increase reflects the addition of 2 new employees discussed earlier, general personnel increases as well as the full year impact of the additional operating costs in adding Aviara Park, Hidden Canyon Park and a portion of the Coastal Rail Trail in FY 2005-06. Finally, there are partial year costs associated with opening two new facilities, Pine Avenue Park and the remodeled Senior Center in FY 2006-07.



## 2006-2007 OPERATING BUDGET OVERVIEW

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- Non-departmental expenses include the transfers previously discussed as well as administrative and other expenses not associated with any one department. The most significant change is the transfer to the Infrastructure Replacement Fund to ensure funding is available when facilities need to be replaced. In FY2006-07 the transfer was increased to \$7.2 million as compared to \$4.3 million in FY2005-06.
- The Council Contingency account is available to the City Council for unanticipated emergencies or unforeseen program needs during the year. It is budgeted at \$2.3 million, or approximately 2.2% of the 2006-07 General Fund budget, which is consistent with the \$2.3 million budgeted in the prior year. During FY 2005-06, Council has authorized almost all of those funds be spent on emergency repairs for damages caused by the 2005 storms.

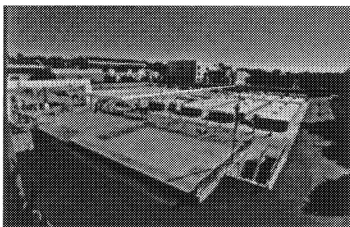
### ***Changes In Other Funds***

**Special Revenue** funds, at \$9.9 million, are down almost 2% from last year. This reflects a costs savings in the Tree Maintenance budget of approximately \$140,000. The tree trimming service was contracted out resulting in a substantial ongoing savings and an increase in the total number of tree sites addressed from 1,600 per year to over 2,500 per year. In FY 2005-06 there was a one-time cost of approximately \$150,000 to replace streetlights that had deteriorated along Carlsbad Boulevard. Over time the sea air had corroded the street lights and it was determined that the lights should be replaced before they became a safety issue. The project was successfully completed this year.

Of special note is the Median Maintenance Fund. This is a Citywide Landscape Maintenance fund, which collects assessments paid by property owners to pay for the maintenance of the City's medians. Using current budget estimates for maintaining current service levels, staff anticipates that this fund will run short of cash by approximately \$178,000 by the end of Fiscal Year 2005-06. A loan from the General Fund is included in the budget to cover the shortfall until a solution can be determined. A loan for \$225,000 was made in FY 2005-06 and a loan for \$336,000 was made FY 2004-05. In FY 2005-06 a feasibility study was conducted by an assessment-engineering firm to review alternatives for funding lighting and landscaping. The assessments in this District cannot be increased without a vote of the property owners. The study is currently under review by staff.

**Enterprise** funds total \$40.2 million, which is an increase of \$5.2 million, or approximately 15%. The most significant change is in the water and recycled water budgets. Increases are attributed to the increase in the cost of water along with increased demand, the operations of the new recycled water facility, and increased depreciation and debt service costs related to the additional facilities.

The sewer operations also increased due to higher costs of operating the Encina Wastewater plant and higher depreciation expense from the addition of completed facilities to the inventory.



As part of the ongoing financial management program, the City annually prepares five-year forecasts for both the Water and Sanitation funds. The forecast for the Water Enterprise shows that rate increases are needed to keep up with increases in expenditures. A rate increase of 5% was approved for FY2006-07. For the Sanitation Fund, the forecast shows that a rate increase is also necessary and an 8.5% increase was approved for FY2006-07.

## **2006-2007 OPERATING BUDGET OVERVIEW**

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The **Internal Service** funds budgets decreased in total by approximately \$465,000, or nearly 4%. The Internal Service funds are self-supporting through user charges. Changes occurred in a number of these funds:

- The Workers' Compensation Fund budget was decreased by an estimated \$95,000 from FY 2005-06. This decrease reflects projections that settlements will continue to decrease from previous years and claims will remain at current levels.
- The Health Insurance budget shows a decline of nearly \$171,000 based on current estimates of health insurance costs and premiums based on estimates provided by the City's medical insurance broker.
- The Vehicle Replacement Fund budget varies from year to year depending on the need for replacements. The estimated budget for the fund is \$1,055,000 less than the previous year, or a 52.9% reduction. A list of the requested vehicle replacements can be found at the end of this document.
- The Information Technology Fund shows an increase in the Department's budget of approximately \$1,000,000. This is mainly due to increases in one-time capital spending and the hiring of 3 new positions to better support the City's growing technology infrastructure. A list of planned major capital outlay requests can be found at the end of this document.

The **Redevelopment** Agency budgets have decreased by an estimated \$279,000 from the previous year. In FY 2005-06 there were some one-time costs including an Environmental Impact Report (EIR) for the Ponto area.

### **SUMMARY**

The City of Carlsbad continues to fare well from an economic viewpoint. It is evident that the planning and foresight by the City Council and residents have provided a sound economic base for the City. The increased job opportunities from the development of the industrial and commercial areas, as well as Carlsbad's reputation as a quality City, are keeping the demand for housing growing, which in turn increases the property tax base. The continued opening and expansion of the commercial ventures enhances Carlsbad's standing as a destination resort and gives it the revenues needed to provide quality services to the citizens and businesses. All of these events add to the diversity and strength of Carlsbad's economic base, which will provide the funding for additional services needed to maintain the quality of life in Carlsbad.

The challenges for the future will revolve around changing from a developing City to a fully built City; it will be about managing costs while continuing to look for appropriate revenue streams sufficient to pay for the services desired by the citizens. This year's budget reflects the anticipated achievement of Council's vision and goals for the City. It allocates the available funding in a manner that proactively plans for the future. This plan will provide top-quality services to all who live, work, and play in Carlsbad.





**CITY OF CARLSBAD  
OPERATING FUNDS  
PROJECTED FUND BALANCES**

FUND	UNRESERVED BALANCE JULY 1, 2005	ESTIMATED REVENUES	ESTIMATED EXPENDITURES	FUND TRANSFERS	PROJECTED BALANCE JUNE 30, 2006
<b>GENERAL FUND</b>	88,497,262	103,114,000	98,454,709	101,444	93,257,997
TRANSFER TO MEDIAN MAINTENANCE				(295,000)	(295,000)
TRANSFER TO VEHICLE REPLACEMENT				(333,432)	(333,432)
TRANSFER TO GOLF COURSE				(30,300,000)	(30,300,000)
<b>TOTAL</b>	<b>88,497,262</b>	<b>103,114,000</b>	<b>98,454,709</b>		<b>62,329,565</b>
<b>SPECIAL REVENUE</b>					
POLICE ASSET FORFEITURE	590,878	110,000	146,027		554,851
COPS GRANT	0	137,000	132,513		4,487
POLICE GRANTS	24,845	22,000	35,000		11,845
HOUSING SECTION 8	72,801	6,008,000	5,838,403		242,398
HOUSING TRUST FUND	9,214,657	1,570,000	2,417,438	472,573	8,839,792
LIBRARY ENDOWMENT FUND	269,668	10,000	12,000		267,668
LIBRARY GIFTS/BEQUESTS	103,881	87,000	137,898		52,983
TREE MAINTENANCE	711,511	489,000	776,185		424,326
MEDIAN MAINTENANCE	98,778	406,000	641,171	295,000	158,607
STREET LIGHTING	953,334	951,000	1,246,135		658,199
BUENA VISTA CRK CHNL MNT	870,778	130,000	108,000		892,778
LLD #2	46,082	135,000	63,571		117,511
BUSINESS IMPROVEMENT DISTRICT	26,210	0	26,092		118
ARTS SPECIAL EVENTS	55,748	72,000	47,696		80,052
RECREATION DONATIONS	96,157	15,000	14,370		96,787
SENIOR DONATIONS	188,036	18,000	7,265		198,771
CDBG ENTITLEMENT	0	1,080,000	607,427	(472,573)	0
COMMUNITY ACTIVITY GRANTS	996,665	35,000	27,980		1,003,685
CULTURAL ARTS PROGRAM	210,947	8,000	14,500		204,447
<b>TOTAL</b>	<b>14,530,976</b>	<b>11,283,000</b>	<b>12,299,671</b>		<b>13,809,305</b>
<b>ENTERPRISE</b>					
WATER OPERATIONS	14,790,753	22,660,397	23,157,236		14,293,914
RECYCLED WATER OPERATIONS	4,351,616	2,432,324	3,121,026		3,662,914
SANITATION OPERATIONS	6,725,403	7,241,000	7,915,975		6,050,428
SOLID WASTE MANAGEMENT	6,902,406	2,196,775	1,902,305		7,196,876
GOLF COURSE	702,127	668,996	50,000		1,321,123
<b>TOTAL</b>	<b>33,472,305</b>	<b>35,199,492</b>	<b>36,146,542</b>		<b>32,525,255</b>
<b>INTERNAL SERVICE</b>					
WORKER'S COMP SELF INSURANCE	3,505,574	2,682,000	2,399,203	300,000	4,088,371
RISK MANAGEMENT	1,363,976	1,351,000	1,377,794		1,337,182
SELF-INSURED BENEFITS	903,086	847,000	706,394	(300,000)	743,692
VEHICLE MAINTENANCE	(104,318)	2,830,000	2,460,254		265,428
VEHICLE REPLACEMENT	8,452,258	1,485,512	2,000,000	333,432	8,271,202
INFORMATION TECHNOLOGY	3,731,018	3,880,000	5,238,659		2,372,359
<b>TOTAL</b>	<b>17,851,594</b>	<b>13,075,512</b>	<b>14,182,304</b>		<b>17,078,234</b>
<b>REDEVELOPMENT</b>					
VILLAGE OPERATIONS / DEBT SVC	1,408,359	2,350,366	2,612,604		1,146,121
VILLAGE LOW/MOD INCOME HOUSING	1,677,600	685,000	78,000		2,284,600
SCCRA OPERATIONS / DEBT SVC	818,787	26,000	509,403	(101,444)	233,940
SCCRA LOW/MOD INCOME HOUSING	391,094	13,000	45,000		359,094
<b>TOTAL</b>	<b>4,295,840</b>	<b>3,074,366</b>	<b>3,245,007</b>		<b>4,023,755</b>
<b>TOTAL OPERATING FUNDS</b>	<b>\$158,647,977</b>	<b>\$165,746,370</b>	<b>\$164,328,233</b>	<b>(\$30,300,000)</b>	<b>\$129,766,114</b>

**CITY OF CARLSBAD  
OPERATING FUNDS  
PROJECTED FUND BALANCES**

FUND	PROJECTED BALANCE JULY 1, 2006	ESTIMATED REVENUES	ADOPTED BUDGET	FUND TRANSFERS	RESERVED BALANCES	PROJECTED BALANCE JUNE 30, 2007
<b>GENERAL FUND</b>	62,329,565	112,174,771	106,362,081			68,142,255
ADVANCE TO GOLF COURSE FUND				(5,000,000)		(5,000,000)
<b>TOTAL</b>	<b>62,329,565</b>	<b>112,174,771</b>	<b>106,362,081</b>			<b>63,142,255</b>
<b>SPECIAL REVENUE</b>						
POLICE ASSET FORFEITURE	554,851	73,000	108,510			519,341
COPS GRANT	4,487	142,000	141,532			4,955
POLICE GRANTS	11,845	0	0			11,845
HOUSING SECTION 8	242,398	6,113,487	6,144,692			211,193
HOUSING TRUST FUND	8,839,792	397,700	433,785			8,803,707
LIBRARY ENDOWMENT FUND	267,668	10,000	14,000			263,668
LIBRARY GIFTS/BEQUESTS	52,983	0	0			52,983
TREE MAINTENANCE	424,326	481,456	561,909			343,873
MEDIAN MAINTENANCE	158,607	388,098	534,302			12,403
STREET LIGHTING	658,199	926,890	1,080,408			504,681
BUENA VISTA CRK CHNL MNT	892,778	136,000	96,500			932,278
LLD #2	117,511	292,900	129,683			280,728
BUSINESS IMPROVEMENT DISTRICT	118	0	0			118
ARTS SPECIAL EVENTS	80,052	80,875	69,461			91,466
RECREATION DONATIONS	96,787	0	0			96,787
SENIOR DONATIONS	198,771	0	0			198,771
CDBG ENTITLEMENT	0	660,353	590,353			70,000
COMMUNITY ACTIVITY GRANTS	1,003,685	40,000	30,000		(1,000,000)	13,685
CULTURAL ARTS PROGRAM	204,447	7,000	18,000			193,447
<b>TOTAL</b>	<b>13,809,305</b>	<b>9,749,759</b>	<b>9,953,135</b>			<b>12,605,929</b>
<b>ENTERPRISE</b>						
WATER OPERATIONS	14,293,914	24,275,260	25,368,385	(600,000)		12,600,789
RECYCLED WATER OPERATIONS	3,662,914	4,354,104	3,598,553			4,418,465
SANITATION OPERATIONS	6,050,428	7,941,096	8,679,673			5,311,851
SOLID WASTE MANAGEMENT	7,196,876	2,305,070	2,423,931			7,078,015
GOLF COURSE	1,321,123	19,000	80,000			1,260,123
<b>TOTAL</b>	<b>32,525,255</b>	<b>38,894,530</b>	<b>40,150,542</b>			<b>30,669,243</b>
<b>INTERNAL SERVICE</b>						
WORKER'S COMP SELF INSUR	4,088,371	2,898,000	2,322,112		(3,400,000)	1,264,259
RISK MANAGEMENT	1,337,182	1,440,000	1,473,618	600,000	(800,000)	1,103,564
SELF-INSURED BENEFITS	743,692	840,000	771,000			812,692
VEHICLE MAINTENANCE	265,428	2,532,459	2,572,977			224,910
VEHICLE REPLACEMENT	8,271,202	1,750,853	940,000		(5,000,000)	4,082,055
INFORMATION TECHNOLOGY	2,372,359	4,573,000	5,347,474		(1,190,000)	407,885
<b>TOTAL</b>	<b>17,078,234</b>	<b>14,034,312</b>	<b>13,427,181</b>			<b>7,895,365</b>
<b>REDEVELOPMENT</b>						
VILLAGE OPERATIONS / DEBT SVC	1,146,121	2,261,690	1,525,511			1,882,300
VILLAGE LOW/MOD INCOME HOUSING	2,284,600	694,000	93,775			2,884,825
SCCRA OPERATIONS / DEBT SVC	233,940	27,000	206,831			54,109
SCCRA LOW/MOD INCOME HOUSING	359,094	0	42,535			316,559
<b>TOTAL</b>	<b>4,023,755</b>	<b>2,982,690</b>	<b>1,868,652</b>			<b>5,137,793</b>
<b>TOTAL OPERATING FUNDS</b>	<b>\$129,766,114</b>	<b>\$177,836,062</b>	<b>\$171,761,591</b>	<b>(\$5,000,000)</b>	<b>(\$11,390,000)</b>	<b>\$119,450,585</b>

**CITY OF CARLSBAD  
OPERATING FUNDS  
REVENUE ESTIMATES**

REVENUE SOURCE	ACTUAL REVENUE 2004-05	PROJECTED REVENUE 2005-06	ESTIMATED REVENUE 2006-07	AS % OF FY 05-06 PROJECTED	DIFFERENCE 2005-06 TO 2006-07
<b>GENERAL FUND</b>					
<b>TAXES</b>					
PROPERTY TAX	\$28,381,557	\$36,163,000	\$43,776,000	21.1%	7,613,000
SALES TAX	26,330,537	26,572,000	29,008,000	9.2%	2,436,000
TRANSIENT TAX	10,072,278	11,105,000	11,769,000	6.0%	664,000
FRANCHISE TAX	5,682,953	5,378,000	5,477,000	1.8%	99,000
BUSINESS LICENSE TAX	2,889,989	3,200,000	3,200,000	0.0%	0
TRANSFER TAX	1,646,332	1,231,000	1,268,000	3.0%	37,000
<b>TOTAL TAXES</b>	<b>75,003,646</b>	<b>83,649,000</b>	<b>94,498,000</b>	<b>13.0%</b>	<b>10,849,000</b>
<b>INTERGOVERNMENTAL</b>					
VEHICLE LICENSE FEES	7,085,212	503,000	518,000	3.0%	15,000
OTHER	2,730,006	1,528,000	1,152,500	-24.6%	(375,500)
<b>TOTAL INTERGOVERNMENTAL</b>	<b>9,815,218</b>	<b>2,031,000</b>	<b>1,670,500</b>	<b>-17.8%</b>	<b>(360,500)</b>
<b>LICENSES AND PERMITS</b>					
BUILDING PERMITS	2,031,708	1,650,000	930,000	-43.6%	(720,000)
OTHER LICENSES & PERMITS	1,360,974	1,100,000	806,000	-26.7%	(294,000)
<b>TOTAL LICENSES &amp; PERMITS</b>	<b>3,392,682</b>	<b>2,750,000</b>	<b>1,736,000</b>	<b>-36.9%</b>	<b>(1,014,000)</b>
<b>CHARGES FOR SERVICES</b>					
PLANNING FEES	995,371	600,000	100,000	-83.3%	(500,000)
BUILDING DEPT. FEES	1,362,007	1,115,000	1,036,000	-7.1%	(79,000)
ENGINEERING FEES	1,881,498	1,270,000	1,830,000	44.1%	560,000
AMBULANCE FEES	1,350,911	1,442,000	1,861,451	29.1%	419,451
RECREATION FEES	1,483,043	1,551,000	1,490,570	-3.9%	(60,430)
OTHER CHARGES OR FEES	950,430	1,136,000	533,600	-53.0%	(602,400)
<b>TOTAL CHARGES FOR SERVICES</b>	<b>8,023,260</b>	<b>7,114,000</b>	<b>6,851,621</b>	<b>-3.7%</b>	<b>(262,379)</b>
<b>FINES AND FORFEITURES</b>	<b>950,813</b>	<b>926,000</b>	<b>978,700</b>	<b>5.7%</b>	<b>52,700</b>
<b>INCOME FROM INVESTMENTS AND PROPERTY*</b>	<b>2,956,876</b>	<b>2,960,000</b>	<b>3,291,700</b>	<b>11.2%</b>	<b>331,700</b>
<b>INTERDEPARTMENTAL CHARGES</b>	<b>2,565,543</b>	<b>2,700,000</b>	<b>2,180,000</b>	<b>-19.3%</b>	<b>(520,000)</b>
<b>OTHER REVENUE SOURCES</b>	<b>1,066,032</b>	<b>984,000</b>	<b>968,250</b>	<b>-1.6%</b>	<b>(15,750)</b>
<b>TOTAL GENERAL FUND</b>	<b>103,774,070</b>	<b>103,114,000</b>	<b>112,174,771</b>	<b>8.8%</b>	<b>9,060,771</b>

\* Interest is calculated on an amortized cost basis.

**CITY OF CARLSBAD  
OPERATING FUNDS  
REVENUE ESTIMATES**

REVENUE SOURCE	ACTUAL REVENUE 2004-05	PROJECTED REVENUE 2005-06	ESTIMATED REVENUE 2006-07	AS % OF FY 05-06 PROJECTED	DIFFERENCE 2005-06 TO 2006-07
<b>SPECIAL REVENUE FUNDS</b>					
<b>POLICE ASSET FORFEITURE</b>					
ASSET FORFEITURES	195,312	92,000	50,000	-45.7%	(42,000)
INTEREST	13,163	18,000	23,000	27.8%	5,000
TOTAL	208,475	110,000	73,000	-33.6%	(37,000)
<b>COPS GRANT</b>					
STATE FUNDING (AB3229)	136,548	137,000	140,000	2.2%	3,000
INTEREST	5,568	0	2,000	0.0%	2,000
TOTAL	142,116	137,000	142,000	3.7%	5,000
<b>POLICE GRANTS</b>					
FEDERAL GRANT	15,031	21,000	0	-100.0%	(21,000)
INTEREST	969	1,000	0	-100.0%	(1,000)
TOTAL	16,000	22,000	0	-100.0%	(22,000)
<b>HOUSING - SECTION 8</b>					
FEDERAL GRANT	6,050,735	6,000,000	6,104,692	1.7%	104,692
INTEREST	2,271	1,000	1,500	50.0%	500
OTHER	8,840	7,000	7,295	4.2%	295
TOTAL	6,061,846	6,008,000	6,113,487	1.8%	105,487
<b>HOUSING TRUST FUND</b>					
AFFORDABLE HOUSING FEES	46,750	20,000	52,700	163.5%	32,700
FEDERAL GRANT	7,464	0	0	0.0%	0
INTEREST	320,651	350,000	300,000	-14.3%	(50,000)
OTHER	2,775,508	1,200,000	45,000	-96.3%	(1,155,000)
TOTAL	3,150,373	1,570,000	397,700	-74.7%	(1,172,300)
<b>LIBRARY ENDOWMENT FUND</b>					
INTEREST	7,646	10,000	10,000	0.0%	0
TOTAL	7,646	10,000	10,000	0.0%	0
<b>LIBRARY GIFTS/BEQUESTS</b>					
GIFTS/BEQUESTS	66,855	83,000	0	-100.0%	(83,000)
INTEREST	3,320	4,000	0	-100.0%	(4,000)
TOTAL	70,175	87,000	0	-100.0%	(87,000)

**CITY OF CARLSBAD  
OPERATING FUNDS  
REVENUE ESTIMATES**

REVENUE SOURCE	ACTUAL REVENUE 2004-05	PROJECTED REVENUE 2005-06	ESTIMATED REVENUE 2006-07	AS % OF FY 05-06 PROJECTED	DIFFERENCE 2005-06 TO 2006-07
<b>TREE MAINTENANCE</b>					
TREE MAINTENANCE FEES	464,152	466,000	464,456	-0.3%	(1,544)
INTERDEPARTMENTAL	106,000	0	0	0.0%	0
INTEREST	22,152	23,000	17,000	-26.1%	(6,000)
OTHER	0	0	0	0.0%	0
TOTAL	592,304	489,000	481,456	-1.5%	(7,544)
<b>MEDIAN MAINTENANCE</b>					
MEDIAN MAINTENANCE FEES	428,916	405,000	388,098	-4.2%	(16,902)
OTHER	0	0	0	0.0%	0
INTEREST	458	1,000	0	-100.0%	(1,000)
TOTAL	429,374	406,000	388,098	-4.4%	(17,902)
<b>STREET LIGHTING</b>					
STREET LIGHTING FEES	858,287	703,000	718,024	2.1%	15,024
INTERDEPARTMENTAL	28,000	185,000	184,866	-0.1%	(134)
OTHER	0	28,000	0	-100.0%	(28,000)
INTEREST	30,194	35,000	24,000	-31.4%	(11,000)
TOTAL	916,481	951,000	926,890	-2.5%	(24,110)
<b>BUENA VISTA CREEK CHNL MAINT</b>					
BUENA VISTA FEES	100,078	100,000	100,000	0.0%	0
INTEREST	23,630	30,000	36,000	20.0%	6,000
TOTAL	123,708	130,000	136,000	4.6%	6,000
<b>LLD #2</b>					
LLD #2 FEES	70,605	127,000	290,600	128.8%	163,600
INTEREST	508	2,000	2,300	15.0%	300
OTHER	15,000	6,000	0	-100.0%	(6,000)
TOTAL	86,113	135,000	292,900	117.0%	157,900
<b>BUSINESS IMPROVEMENT DISTRICT</b>					
INTEREST	118	0	0	0.0%	0
TOTAL	118	0	0	0.0%	0
<b>ARTS SPECIAL EVENTS</b>					
DONATIONS	71,967	71,000	80,000	12.7%	9,000
INTEREST	333	1,000	875	-12.5%	(125)
TOTAL	72,300	72,000	80,875	12.3%	8,875
<b>RECREATION DONATIONS</b>					
DONATIONS	17,146	12,000	0	-100.0%	(12,000)
INTEREST	2,527	3,000	0	0.0%	0
TOTAL	19,673	15,000	0	-100.0%	(15,000)

**CITY OF CARLSBAD  
OPERATING FUNDS  
REVENUE ESTIMATES**

REVENUE SOURCE	ACTUAL REVENUE 2004-05	PROJECTED REVENUE 2005-06	ESTIMATED REVENUE 2006-07	AS % OF FY 05-06 PROJECTED	DIFFERENCE 2005-06 TO 2006-07
<b>SENIOR DONATIONS</b>					
DONATIONS	7,002	11,000	0	-100.0%	(11,000)
INTEREST	5,330	7,000	0	-100.0%	(7,000)
OTHER	465	0	0	0.0%	0
TOTAL	12,797	18,000	0	-100.0%	(11,000)
<b>CDBG ENTITLEMENT</b>					
FEDERAL GRANT	663,706	1,000,000	590,353	-41.0%	(409,647)
INTEREST	0	40,000	0	-100.0%	(40,000)
OTHER	0	40,000	70,000	75.0%	30,000
TOTAL	663,706	1,080,000	660,353	-38.9%	(419,647)
<b>COMMUNITY ACTIVITY GRANTS</b>					
DONATIONS	694	0	0	0.0%	0
INTEREST	28,609	35,000	40,000	14.3%	5,000
OTHER	4,000	0	0	0.0%	0
TOTAL	33,303	35,000	40,000	14.3%	0
<b>CULTURAL ARTS PROGRAM</b>					
INTEREST	6,063	8,000	7,000	-12.5%	(1,000)
TOTAL	6,063	8,000	7,000	-12.5%	(1,000)
<b>ARTS GENERAL/GALLERY DONATIONS (2)</b>					
DONATIONS	100	0	0	0.0%	0
INTEREST	3,143	0	0	0.0%	0
TOTAL	3,243	0	0	0.0%	0
<b>SISTER CITY DONATIONS (2)</b>					
DONATIONS	500	0	0	0.0%	0
INTEREST	172	0	0	0.0%	0
TOTAL	672	0	0	0.0%	0
<b>TOTAL SPECIAL REVENUE FUNDS</b>	<b>12,616,486</b>	<b>11,283,000</b>	<b>9,749,759</b>	<b>-13.6%</b>	<b>(1,533,241)</b>

**CITY OF CARLSBAD  
OPERATING FUNDS  
REVENUE ESTIMATES**

REVENUE SOURCE	ACTUAL REVENUE 2004-05	PROJECTED REVENUE 2005-06	ESTIMATED REVENUE 2006-07	AS % OF FY 05-06 PROJECTED	DIFFERENCE 2005-06 TO 2006-07
<b>ENTERPRISE FUNDS</b>					
<b>WATER OPERATIONS</b>					
WATER SALES	13,281,446	14,984,640	16,205,888	8.2%	1,221,248
READY TO SERVE CHARGES	3,747,831	3,880,757	4,162,810	7.3%	282,053
PROPERTY TAXES	2,026,281	2,200,000	2,310,000	5.0%	110,000
NEW ACCOUNT CHARGES	117,710	135,000	130,950	-3.0%	(4,050)
BACK-FLOW PROGRAM FEES	106,577	110,000	112,200	2.0%	2,200
PENALTY FEES	230,819	230,000	234,600	2.0%	4,600
INTEREST	483,355	500,000	500,061	0.0%	61
ENGINEERING OVERHEAD	208,884	180,000	185,400	3.0%	5,400
SERVICE CONNECTION FEES	274,881	195,000	189,150	-3.0%	(5,850)
AGRICULTURAL CREDITS	97,157	95,000	91,200	-4.0%	(3,800)
OTHER	166,741	150,000	153,001	2.0%	3,001
<b>TOTAL</b>	<b>20,741,682</b>	<b>22,660,397</b>	<b>24,275,260</b>	<b>7.1%</b>	<b>1,614,863</b>
<b>RECYCLED WATER</b>					
WATER SALES	1,173,916	1,475,848	2,157,955	46.2%	682,107
READY-TO-SERVE CHARGE	101,657	100,000	107,268	7.3%	7,268
RECYCLED WATER CREDITS	392,565	731,476	1,188,088	62.4%	456,612
INTEREST	277,140	125,000	143,231	14.6%	18,231
OTHER	172,438	0	757,562	0.0%	757,562
<b>TOTAL</b>	<b>2,117,716</b>	<b>2,432,324</b>	<b>4,354,104</b>	<b>79.0%</b>	<b>1,921,780</b>
<b>SANITATION OPERATIONS</b>					
SERVICE CHARGES	6,296,638	6,750,000	7,507,242	11.2%	757,242
MISC SEWER	20,013	20,000	20,357	1.8%	357
ENGINEERING OVERHEAD	163,536	155,000	159,650	3.0%	4,650
PENALTY FEES	61,794	69,000	70,233	1.8%	1,233
INTEREST	216,134	226,000	162,194	-28.2%	(63,806)
OTHER	327,412	21,000	21,420	2.0%	420
<b>TOTAL</b>	<b>7,085,527</b>	<b>7,241,000</b>	<b>7,941,096</b>	<b>9.7%</b>	<b>700,096</b>
<b>SOLID WASTE MANAGEMENT</b>					
INTEREST	204,472	260,000	265,166	2.0%	5,166
RECYCLING FEES (AB939)	244,982	280,000	291,200	4.0%	11,200
PENALTY FEES	43,247	44,000	45,760	4.0%	1,760
NON-JURISDICTIONAL FEES	635,744	0	0	0.0%	0
STATE GRANT	49,846	25,416	0	-100.0%	(25,416)
TRASH SURCHARGE	1,424,593	1,550,000	1,702,944	9.9%	152,944
OTHER	1,717	37,359	0	-100.0%	(37,359)
<b>TOTAL</b>	<b>2,604,601</b>	<b>2,196,775</b>	<b>2,305,070</b>	<b>4.9%</b>	<b>108,295</b>
<b>GOLF COURSE</b>					
OTHER	18,996	18,996	19,000	0.0%	4
INTEREST	51,078	650,000	0	-100.0%	(650,000)
<b>TOTAL</b>	<b>70,074</b>	<b>668,996</b>	<b>19,000</b>	<b>(1)</b>	<b>(649,996)</b>
<b>TOTAL ENTERPRISE FUNDS</b>	<b>32,619,600</b>	<b>35,199,492</b>	<b>38,894,530</b>	<b>10.5%</b>	<b>3,695,038</b>



**CITY OF CARLSBAD  
OPERATING FUNDS  
REVENUE ESTIMATES**

REVENUE SOURCE	ACTUAL REVENUE 2004-05	PROJECTED REVENUE 2005-06	ESTIMATED REVENUE 2006-07	AS % OF FY 05-06 PROJECTED	DIFFERENCE 2005-06 TO 2006-07
<b>INTERNAL SERVICE FUNDS</b>					
<b>WORKERS' COMP SELF-INSURANCE</b>					
INTEREST	90,293	130,000	148,000	13.9%	18,000
INTERDEPARTMENTAL	1,999,629	2,200,000	2,350,000	6.8%	150,000
OTHER	32,106	352,000	400,000	13.6%	48,000
<b>TOTAL</b>	<b>2,122,028</b>	<b>2,682,000</b>	<b>2,898,000</b>	<b>8.1%</b>	<b>216,000</b>
<b>LIABILITY SELF-INSURANCE</b>					
INTEREST	40,091	29,000	40,000	37.9%	11,000
INTERDEPARTMENTAL	1,200,800	1,295,000	1,375,000	6.2%	80,000
OTHER	16,093	27,000	25,000	-7.4%	(2,000)
<b>TOTAL</b>	<b>1,256,984</b>	<b>1,351,000</b>	<b>1,440,000</b>	<b>6.6%</b>	<b>89,000</b>
<b>SELF-INSURED BENEFITS</b>					
INTEREST	2,960	0	0	0.0%	0
INTERDEPARTMENTAL	813,022	847,000	840,000	-0.8%	-100.0%
<b>TOTAL</b>	<b>815,982</b>	<b>847,000</b>	<b>840,000</b>	<b>-0.8%</b>	<b>(7,000)</b>
<b>VEHICLE MAINTENANCE</b>					
INTERDEPARTMENTAL	1,688,802	2,830,000	2,532,459	-10.5%	(297,541)
OTHER	17,581	0	0	0.0%	0
<b>TOTAL</b>	<b>1,706,383</b>	<b>2,830,000</b>	<b>2,532,459</b>	<b>-10.5%</b>	<b>(297,541)</b>
<b>VEHICLE REPLACEMENT</b>					
INTERDEPARTMENTAL	1,574,366	832,080	1,350,853	62.4%	518,773
INTEREST	229,742	320,000	350,000	9.4%	30,000
OTHER	69,368	333,432	50,000	-85.0%	(283,432)
<b>TOTAL</b>	<b>1,873,476</b>	<b>1,485,512</b>	<b>1,750,853</b>	<b>17.9%</b>	<b>265,341</b>
<b>INFORMATION TECHNOLOGY</b>					
INTERDEPARTMENTAL	4,154,145	3,682,000	4,413,000	19.9%	731,000
INTEREST	95,746	132,000	160,000	21.2%	28,000
OTHER	0	66,000	0	-100.0%	(66,000)
<b>TOTAL</b>	<b>4,249,891</b>	<b>3,880,000</b>	<b>4,573,000</b>	<b>17.9%</b>	<b>693,000</b>
<b>TOTAL INTERNAL SERVICE FUNDS</b>	<b>12,024,744</b>	<b>13,075,512</b>	<b>14,034,312</b>	<b>7.3%</b>	<b>958,800</b>

**CITY OF CARLSBAD  
OPERATING FUNDS  
REVENUE ESTIMATES**

REVENUE SOURCE	ACTUAL REVENUE 2004-05	PROJECTED REVENUE 2005-06	ESTIMATED REVENUE 2006-07	AS % OF FY 05-06 PROJECTED	DIFFERENCE 2005-06 TO 2006-07
<b>REDEVELOPMENT FUNDS</b>					
<b>VILLAGE OPERATIONS / DEBT SERVICE</b>					
RENTAL INCOME	80,245	83,366	83,000	-0.4%	(366)
TAX INCREMENT	1,840,184	2,200,000	2,132,690	-3.1%	(67,310)
INTEREST	26,345	44,000	35,000	-20.5%	(9,000)
OTHER	19,079	23,000	11,000	-52.2%	(12,000)
<b>TOTAL</b>	<b>1,965,853</b>	<b>2,350,366</b>	<b>2,261,690</b>	<b>-3.8%</b>	<b>(88,676)</b>
<b>VILLAGE LOW AND MOD INCOME HSNB</b>					
TAX INCREMENT	460,046	550,000	559,000	1.6%	9,000
INTEREST	72,549	135,000	135,000	0.0%	0
OTHER	0	0	0	0.0%	0
<b>TOTAL</b>	<b>532,595</b>	<b>685,000</b>	<b>694,000</b>	<b>1.3%</b>	<b>9,000</b>
<b>SCCRA OPERATIONS / DEBT SERVICE</b>					
TAX INCREMENT	161,327	0	0	0.0%	0
INTEREST	29,081	26,000	27,000	3.9%	1,000
<b>TOTAL</b>	<b>190,408</b>	<b>26,000</b>	<b>27,000</b>	<b>3.9%</b>	<b>1,000</b>
<b>SCCRA LOW AND MOD INCOME HSNB</b>					
TAX INCREMENT	53,776	0	0	0.0%	0
INTEREST	10,673	13,000	0	-100.0%	(13,000)
<b>TOTAL</b>	<b>64,449</b>	<b>13,000</b>	<b>0</b>	<b>-100.0%</b>	<b>(13,000)</b>
<b>TOTAL REDEVELOPMENT FUNDS</b>	<b>2,753,305</b>	<b>3,074,366</b>	<b>2,982,690</b>	<b>-3.0%</b>	<b>(91,676)</b>
<b>TOTAL OPERATING</b>	<b>\$163,788,205</b>	<b>\$165,746,370</b>	<b>\$177,836,062</b>	<b>7.3%</b>	<b>\$ 12,089,692</b>

**CITY OF CARLSBAD  
OPERATING FUNDS  
BUDGET EXPENDITURE SCHEDULE**

DEPARTMENT	2003-04 ACTUALS	2004-05 ACTUALS	2005-06 ESTIMATED EXPENDITURES	2005-06 ADOPTED BUDGET	%INCR (DEC)	
					2006-07 ADOPTED BUDGET	05-06 BUD TO 06-07 BUD
<b>GENERAL FUND</b>						
<b>POLICY AND LEADERSHIP GROUP</b>						
CITY COUNCIL	286,353	318,974	332,403	360,861	367,390	1.8%
CITY MANAGER	1,129,686	1,134,006	1,228,707	1,333,318	1,337,951	0.3%
COMMUNICATIONS	595,310	714,619	1,229,545	937,031	1,107,724	18.2%
CITY CLERK	269,054	129,805	146,017	122,070	253,179	107.4%
CITY ATTORNEY	937,889	1,094,533	1,173,297	1,135,883	1,204,032	6.0%
CITY TREASURER	163,718	159,439	161,684	173,113	183,500	6.0%
<b>TOTAL POLICY/LEADERSHIP GROUP</b>	<b>3,382,010</b>	<b>3,551,376</b>	<b>4,271,653</b>	<b>4,062,276</b>	<b>4,453,776</b>	<b>9.6%</b>
<b>ADMINISTRATIVE SERVICES</b>						
ADMINISTRATION	506,966	519,242	610,743	643,147	743,482	15.6%
FINANCE	2,579,645	2,514,618	2,599,435	2,781,202	2,970,499	6.8%
HUMAN RESOURCES	1,475,974	1,703,115	2,266,727	2,195,416	2,242,796	2.2%
RECORDS MANAGEMENT (1)	0	736,280	792,656	828,401	880,095	6.2%
<b>TOTAL ADMINISTRATIVE SERVICES</b>	<b>4,562,585</b>	<b>5,473,255</b>	<b>6,269,561</b>	<b>6,448,166</b>	<b>6,836,872</b>	<b>6.0%</b>
<b>PUBLIC SAFETY</b>						
POLICE	18,255,487	20,706,955	23,048,863	21,874,208	23,630,515	8.0%
FIRE	12,149,739	12,840,573	14,260,227	13,612,016	15,579,211	14.5%
<b>TOTAL PUBLIC SAFETY</b>	<b>30,405,226</b>	<b>33,547,528</b>	<b>37,309,090</b>	<b>35,486,224</b>	<b>39,209,726</b>	<b>10.5%</b>
<b>COMMUNITY DEVELOPMENT</b>						
COMMUNITY DEVEL ADMIN	476,278	681,988	926,136	741,849	653,860	-11.9%
GEOGRAPHIC INFORMATION	289,161	278,194	485,686	321,692	418,433	30.1%
ECONOMIC DEVELOPMENT	173,627	192,449	185,073	226,517	213,608	-5.7%
PLANNING	3,505,566	3,418,954	3,823,863	3,246,272	3,292,390	1.4%
BUILDING	1,622,392	1,844,495	2,123,863	2,031,119	2,254,670	11.0%
<b>TOTAL COMMUNITY DEVELOPMENT</b>	<b>6,067,024</b>	<b>6,416,080</b>	<b>7,544,621</b>	<b>6,567,449</b>	<b>6,832,961</b>	<b>4.0%</b>
<b>COMMUNITY SERVICES</b>						
LIBRARY	7,910,414	8,219,196	9,257,954	8,861,081	9,392,745	6.0%
CULTURAL ARTS PROGRAM	660,308	778,612	825,456	767,022	815,384	6.3%
RECREATION	4,551,325	4,830,012	5,228,409	5,263,482	5,509,959	4.7%
SENIOR PROGRAMS	586,029	721,537	889,772	884,317	898,627	1.6%
<b>TOTAL COMMUNITY SERVICES</b>	<b>13,708,076</b>	<b>14,549,357</b>	<b>16,201,591</b>	<b>15,775,902</b>	<b>16,616,715</b>	<b>5.3%</b>

NOTE: Estimated expenditures may exceed Adopted budget since they include prior year budget appropriations.

(1) Records Management Internal Service fund was dissolved and the program costs were split between the General fund and the Information Technology Internal Service fund in FY05.

(2) Arts General Donation and Sister City Donation funds were dissolved and the program revenue and costs were moved to the Arts General Fund.

**CITY OF CARLSBAD  
OPERATING FUNDS  
BUDGET EXPENDITURE SCHEDULE**

			2005-06	2005-06	2006-07	%INCR (DEC)
	2003-04	2004-05	ESTIMATED	ADOPTED	ADOPTED	05-06 BUD
DEPARTMENT	ACTUALS	ACTUALS	EXPENDITURES	BUDGET	BUDGET	TO 06-07 BUD
<b>PUBLIC WORKS</b>						
PUBLIC WORKS ADMIN	752,433	874,618	869,734	956,235	977,632	2.2%
ENGINEERING	5,724,009	5,846,010	6,262,145	6,774,725	7,208,940	6.4%
FACILITIES MAINTENANCE	2,800,154	2,949,783	3,856,490	3,116,747	3,786,086	21.5%
PARK MAINTENANCE	3,434,194	3,619,920	4,375,676	4,437,758	4,749,395	7.0%
STREET MAINTENANCE	2,479,551	2,468,341	3,334,690	2,670,829	2,907,163	8.8%
TRAFFIC SIGNAL MAINT	577,644	575,777	720,991	828,287	1,013,807	22.4%
TRAILS MAINTENANCE	63,796	76,273	83,567	170,968	322,658	88.7%
TOTAL PUBLIC WORKS	15,831,781	16,410,722	19,503,293	18,955,549	20,965,681	10.6%
<b>NON-DEPARTMENTAL</b>						
COMMUNITY PROMOTION	468,135	505,831	509,100	84,670	0	-100.0%
COMMUNITY CONTRIBUTIONS	112,000	46,365	1,500	501,500	0	-100.0%
BEACH PARKING	0	0	36,000	36,000	36,000	0.0%
HIRING CENTER	83,084	84,534	85,000	85,000	88,000	3.5%
HOSP GROVE PAYMENT	800,000	800,000	800,000	800,000	275,000	-65.6%
PROPERTY TAX AND OTHER ADMIN	357,642	415,782	390,400	420,400	446,150	6.1%
DUES & SUBSCRIPTIONS	43,210	56,701	72,900	73,150	75,200	2.8%
INFRASTRUCTURE REPLACE TRANS	3,605,000	3,830,000	3,830,000	4,250,000	7,200,000	69.4%
MANAGEMENT INCENTIVE PAY	0	0	580,000	500,000	560,000	12.0%
DISASTER PREPAREDNESS	0	1,694,333	0	0	0	-
LEGAL SERVICES	272,282	12,960	250,000	250,000	250,000	0.0%
TRANSFER TO CIP	0	1,037,535	800,000	600,000	0	-100.0%
MISC / TRANSFERS OUT	568,541	106,383	0	0	216,000	-
TOTAL NON-DEPARTMENTAL	6,309,894	8,590,424	7,354,900	7,600,720	9,146,350	20.3%
<b>SUBTOTAL GENERAL FUND</b>	80,266,596	88,538,742	98,454,709	94,896,286	104,062,081	9.7%
<b>CONTINGENCIES</b>	0	0	0	2,300,000	2,300,000	0.0%
<b>TOTAL GENERAL FUND</b>	80,266,596	88,538,742	98,454,709	97,196,286	106,362,081	9.4%

**CITY OF CARLSBAD  
OPERATING FUNDS  
BUDGET EXPENDITURE SCHEDULE**

			2005-06	2005-06	2006-07	%INCR (DEC)
	2003-04	2004-05	ESTIMATED	ADOPTED	ADOPTED	05-06 BUD
DEPARTMENT	ACTUALS	ACTUALS	EXPENDITURES	BUDGET	BUDGET	TO 06-07 BUD
<b>SPECIAL REVENUE FUNDS</b>						
POLICE ASSET FORFEITURE	65,597	36,327	146,027	89,200	108,510	21.6%
COPS FUND	241,435	214,084	132,513	135,000	141,532	4.8%
POLICE GRANTS	3,170	29,229	35,000	0	0	-
HOUSING SECTION 8	5,724,867	6,430,186	5,838,403	5,980,915	6,144,692	2.7%
HOUSING TRUST	773,955	1,537,415	2,417,438	417,983	433,785	3.8%
LIBRARY ENDOWMENT FUND	9,066	8,400	12,000	12,000	14,000	16.7%
LIBRARY GIFTS/BEQUESTS	76,312	70,369	137,898	0	0	-
TREE MAINTENANCE	665,078	688,632	776,185	653,298	561,909	-14.0%
MEDIAN MAINTENANCE	523,055	527,712	641,171	564,612	534,302	-5.4%
STREET LIGHTING	983,443	986,145	1,246,135	1,177,027	1,080,408	-8.2%
BUENA VISTA CRK CHNL MNT	50,431	102,849	108,000	104,600	96,500	-7.7%
LLD #2	17,124	33,443	63,571	63,571	129,683	104.0%
BUSINESS IMPROVEMENT DISTRICT	0	7,408	26,092	0	0	-
ARTS SPECIAL EVENTS	47,689	40,903	47,696	37,446	69,461	85.5%
SENIOR DONATIONS	19,654	6,361	7,265	170,000	0	-100.0%
CDBG ENTITLEMENT	713,751	714,428	607,427	637,549	590,353	-7.4%
COMMUNITY ACTIVITY GRANTS	52,745	49,605	27,980	30,000	30,000	0.0%
CULTURAL ARTS PROGRAM	14,479	13,579	14,500	28,000	18,000	-35.7%
SISTER CITY DONATIONS (2)	0	0	0	0	0	-
ARTS GALLERY DONATIONS (2)	1,615	5,704	0	0	0	-
RECREATION DONATIONS	4,429	5,041	14,370	22,500	0	-100.0%
TOTAL SPECIAL REVENUE FUNDS	9,987,895	11,507,820	12,299,671	10,123,701	9,953,135	-1.7%
<b>ENTERPRISE FUNDS</b>						
WATER OPERATIONS	23,112,169	20,863,756	23,157,236	22,244,186	25,368,385	14.0%
RECYCLED WATER OPERATIONS	3,695,448	2,097,734	3,121,026	2,644,808	3,683,660	39.3%
SANITATION OPERATIONS	8,832,412	7,721,721	7,915,975	7,703,159	8,679,673	12.7%
SOLID WASTE MANAGEMENT	2,231,692	1,488,107	1,902,305	2,295,447	2,338,824	1.9%
GOLF COURSE	53,917	25,344	50,000	125,000	80,000	-36.0%
TOTAL ENTERPRISE FUNDS	37,925,638	32,196,662	36,146,542	35,012,599	40,150,542	14.7%
<b>INTERNAL SERVICE FUNDS</b>						
WORKERS COMP SELF INSURANCE	2,496,721	2,251,838	2,399,203	2,416,866	2,322,112	-3.9%
LIABILITY SELF-INSURANCE	1,171,663	2,720,853	1,377,794	1,786,631	1,473,618	-17.5%
SELF-INSURED BENEFITS	2,945,620	739,008	706,394	941,500	771,000	-18.1%
RECORDS MANAGEMENT (1)	983,010	0	0	0	0	-
VEHICLE MAINTENANCE	1,904,927	2,032,106	2,460,254	2,069,676	2,572,977	24.3%
VEHICLE REPLACEMENT	553,253	866,614	2,000,000	1,995,000	940,000	-52.9%
INFORMATION TECHNOLOGY	3,812,722	4,355,565	5,238,659	4,682,332	5,347,474	14.2%
TOTAL INTERNAL SERVICE FUNDS	13,867,916	12,965,984	14,182,304	13,892,005	13,427,181	-3.3%

NOTE: Estimated expenditures may exceed Adopted budget since they include prior year budget appropriations.

(1) Records Management Internal Service fund was dissolved and the program costs were split between the General fund and the Information Technology Internal Service fund in FY05.

(2) Arts General Donation and Sister City Donation funds were dissolved and the program revenue and costs were moved to the Arts General fund.

**CITY OF CARLSBAD  
OPERATING FUNDS  
BUDGET EXPENDITURE SCHEDULE**

DEPARTMENT	2003-04	2004-05	2005-06	2005-06	2006-07	%INCR (DEC)
	ACTUALS	ACTUALS	ESTIMATED EXPENDITURES	ADOPTED BUDGET	ADOPTED BUDGET	05-06 BUD TO 06-07 BUD
<b>REDEVELOPMENT</b>						
VILLAGE OPERATIONS / DEBT SVC	1,977,189	4,300,984	2,612,604	1,737,357	1,525,511	-12.2%
VILLAGE LOW/MOD INCOME HSNB	51,324	70,613	78,000	94,396	93,775	-0.7%
SCCRA OPERATIONS / DEBT SVC	298,553	169,844	509,403	278,517	206,831	-25.7%
SCCRA LOW/MOD INCOME HSNB	22,661	36,995	45,000	36,917	42,535	15.2%
TOTAL REDEVELOPMENT	<u>2,349,727</u>	<u>4,578,436</u>	<u>3,245,007</u>	<u>2,147,187</u>	<u>1,868,652</u>	<u>-13.0%</u>
<b>TOTAL OPERATING FUNDS</b>	144,397,772	149,787,644	164,328,233	158,371,778	171,761,591	8.5%